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Problems in Writing the History of Large Business Units

The giant American Historical Association held its sixty-second annual meeting in Cleveland, Ohio, December 27-29, 1947. Fourteen other societies in allied fields held joint meetings with the American Historical or staged special meetings of their own. For readers of the BULLETIN the amazing fact is that four of the sessions dealt with business history.

The Business Historical Society and the American Historical Association were responsible for two joint meetings devoted to the subject, "Problems in the Writing of the History of Large Business Units." The formal session on the morning of the 29th was followed by a luncheon meeting and informal discussion. Professor N. S. B. Gras of the Graduate School of Business Administration, Harvard University, presided at the morning session and Dr. Charles W. Moore of SKF Industries, Inc., of Philadelphia, was chairman of the luncheon conference.

The attendance at both the meetings was good. The discussion gave evidence of an increasing interest in business history as well as a growing appreciation of the issues involved in research and writing in the subject.

Below follow the papers read at the morning session. The first, by Dr. Ralph W. Hidy of the Business History Foundation, deals with the importance of the history of the large business unit; the second, by Dr. Henrietta M. Larson, also of the Foundation, considers the availability of records; the third, by Professor Richard C. Overton of Northwestern University, is devoted to the problems of writing the history of large business units with special reference to railroads.

THE EDITOR.

IMPORTANCE OF THE HISTORY OF THE LARGE BUSINESS UNIT

By Ralph W. Hidy

Like all others in the historical profession, the student of economic and business history is obligated to ascertain the truth about the social order of the past, remote and immediate. To those who rely heavily upon historical data to understand the present that obligation is a categorical imperative. In the search for truth, whether in Western Europe or in the United States, the historian is faced with the necessity of correctly evaluating the evolution, functions, and operation in society of the large business unit. In some areas in space and time the large unit may be a simple partnership, in others a large corporation, in still others it may be a cartel. In any case, the historian must collect and evaluate data about this phenomenon which is almost exclusively a product of modern Western Civilization, particularly during the past one hundred years.

It is important that we write the history of the large business unit because so little balanced and relatively unbiased, digested information on the subject is available. Inasmuch as the large business unit is a relatively new organism in a society where practices, ideas, customs, and mores have been set for centuries, it was inevitable that public reaction to the large business unit should be antipathetic. In most societies the new is almost always suspect, distrusted, and opposed. Thus the small business man, the petty capitalist, objected strenuously when his vested interest was threatened or undermined; that fact is clear whether examples are taken from the reactions of the guilds to the emergence of the large merchant, or from the opposition of the small capitalistic farmer and business man to the coming of the large business unit in the United States, be it the Bank of the United States or the Standard Oil Company or the United States Steel Corporation. The issue has been very clearly joined in America because the petty capitalist was endowed with voting privileges before more than one or two large business units appeared on the economic scene. Hence, the preconceptions of a society made up of small business units, operating under conditions of free competition, were and still are reflected in politics and legislation.

Under the circumstances the historian cannot be blamed entirely

for his failure to evaluate correctly the history of the large business unit in modern society. He has had to deal with the facts presented in materials at hand. Those facts have largely reposed in a newspaper and periodical press which expressed the attitudes of the dominant majority, and in printed reports of governmental inquiries and investigations which for the most part mirrored the views of those opposed to the new institution in the social order. At the same time the management of the large business units, having carried into the twentieth century the idea of their freely competing business antecedents that their business was their own and not vested with public interest, refused to open their records in order that a balanced interpretation of their functions, operations, practices, and social contributions might be established. The belief that "right will prevail," held by some executives, may be correct in the long run, but millions of people die without seeing that concept realized. Under these circumstances of research and publication the historian can even be excused to some extent for making destructively critical moral and ethical judgments of past practices. He, too, is a product of his own social environment, the effects of which can seldom be fully corrected by later training. Yet he should, and usually does, live up to the professional ideal of presenting a given development within the setting of the ideas and practices of the times.

The historian must only bear sharp criticism when he ignores the existence of a large body of manuscript materials portraying the activities of a large business unit, misunderstands or misinterprets the significance of a substantial volume of published analyses on that business unit, is ignorant of modern economic thought on imperfect competition and other pertinent matters, and betrays his profession by deliberately writing a partisan account of a relatively distant historical period. Not even the plea that such historical writing should be regarded as allegorical has validity. If the historian wants to be a propagandist, let him be one honestly. If the historian wants to write fiction, he should openly join the ranks of those who have honestly given the American public a thousand examples during the past fifty years.

Apropos of this point of view, commentators on this paper may observe that few derogatory facts about the large business unit are mentioned and several hypotheses are advanced which, if substantiated, would reflect credit upon the large corporation. That course has been adopted deliberately because to date emphasis has been placed in most published material upon the evil that

large business units do. To give some balance, suggestion of some of the credit items seemed in order. On the other hand, in the final history of any business unit, large or small, an exposition of mistakes and failures as well as successes and social contributions is imperative.

In connection with this search for truth about the large business unit new light may be thrown upon some, even many, of the concepts long current with the American public. For example, it is a strange fear, this fear of bigness in business on the part of a large part of the American public. When viewed against the background of general economic, social, and political developments in the United States, the popular distrust of big business is now a paradox in American history. Especially since 1850 the people of this country have been consciously, often blatantly, emphasizing the big things in American life. Territorially our nation is one of the largest in the world; our population alone would tend to place us among the Great Powers; we are the biggest buyers of goods and services in the world because we have the highest standard of living; we produce more goods than any other nation; we have the highest buildings; we possessed the most powerful army and navy and air force. Of these things we as a people are generally proud, but how many Americans are proud of the fact that their country can boast more big business units than any other country? Perhaps only one question on that point should be posed at this moment. Could the economies and social advantages of mass production have been achieved without the large business unit? Correlatively, if we desire mass production, which is the better way to achieve it—through government owned and managed corporations or trusts, or by means of privately owned corporations? Given our wants and demands, our choice would seem to be limited to those alternatives. Objective histories of large business units may reveal that the managers were men, not ogres, that some of their policies were good and some bad, that the worst features of their activities have been written across the sky, and that the good points of their operations have never been brought out of obscurity.

As a derivative to the foregoing point, if the historian can produce accurate, objective history of the functioning of big business in America, he may aid in a more rational formulation of public policy. Voters may show more discrimination and judgment in the selection of representatives. Politicians may use big business less as a whipping boy and may sponsor legislation which

recognizes the place of the large unit in American economic and social life.

Literally scores of questions by historians and economists may be wholly or partially answered by histories of large business units. Here there is time to pose only a few of them:

What is the optimum size of a business unit? How big is too big? Are there variations from time to time and from industry to industry? From one set of executives to another within the same corporation?

Under what circumstances and at what point does rigidity appear in a large business unit?

Do the social and economic advantages of the large unit outweigh its disadvantages and limitations? Would a balance sheet of the activities of the large business unit show a social profit or a social loss?

Historians might show more interest than economists in the following: Has the large corporation in America abused its power? When? How? Why? Did the leaders in large business units engage in practices which were reprehensible in comparison with those of their competitors? With those of the industry in general? Of business in general at the time? Of farmers? Of government officials?

If the history of a quasi-monopoly, such as The Standard Oil Company before 1911, The American Shoe Machinery Corporation, or the American Telephone and Telegraph Company, can be written, some economic theorists may find both substantiation and correction for their thought now so largely based upon abstract reasoning rather than upon historical fact. Several hypotheses might be tested. A firm might be large and almost omnipotent in its field, yet have officers who were continually aware of the existence of competition or the probability of its development. In their eagerness to maintain the position of their company they might well provide, given the economies of mass production, service as good as or better than that which small firms could give under perfect competition. Fully active competition between one dominant firm and many smaller ones might not be so cutthroat in character as that between a few large concerns where each has the need for a large volume of business to compensate for large overhead cost. Put in other terms, a quasi-monopoly might give better service in terms of quality, quantity, and price of goods than either perfect competition or monopolistic competition. The only way to find out whether these

possibilities actually occur is through an investigation of the facts. Certainly we may assume the probability that judgments based upon theories about oligopoly, monopolistic competition, and monopoly might be qualified by additional facts. Further investigation and publication might even dissuade some writers from their loose use of the word monopoly.

Investigation of the history of the large corporation may well reveal also some developments not thought of by those who have had to deal with the published information. For example, it is commonly believed, I think I may assert, that the large holding company runs its subsidiaries. Tentatively, I repeat tentatively, I may say that the record discloses that control of subsidiaries, more than 50 per cent of the stock of which is owned by the parent company, may vary from company to company. The Standard Oil Company (N.J.) has long followed a policy of placing full responsibility upon the shoulders of managers of affiliated and subsidiary concerns. In general the idea has been that men work better and produce more effectively when given their heads, when the reins are held loosely. In some instances the Jersey Company does no more than suggest ideas to companies more than 75 per cent owned. The same technique is also used with foreign corporations, if for no other reason than to avoid arousing national antagonism. And the degree of influence exercised may vary according to the personnel in management from time to time. If further investigation substantiates this hypothesis, the generalization might well prove suggestive to historians of other corporations.

A corollary of this management situation is that any generalization about control of affiliates and subsidiaries by large units must be based upon a careful selection of the common characteristic of a large number. Perforce, deviations from the norm must be evaluated in that same light.

Another hitherto undiscussed hypothesis is that larger and older business units normally have higher ethical standards than younger and smaller ones. The amount of capital at risk, the desire for profits over an extended period of time rather than in the short run, and the importance of reputation suggest that the relations of the large, well-established corporation within and outside its own industry should be on a high ethical plane. It deals with such a large number of firms and its products meet so much international competition that its standing is of paramount importance. Also the large firm might be aware that its policies affect both national and international economies. In the

case of Baring Brothers and Company, the leading firm in the British money market before 1860 engaged in financing American trade and marketing American securities, reputation for integrity was often more important than profit to the managing partners. Though not big by modern American standards, the London house was a large international banker for that time and had been in existence since 1763. It would seem possible, even probable, that the same attitude might be found among a number of the older and larger corporations in the United States today.

Another factor to be considered in connection with the large corporation is its stability. Undoubtedly investigation will reveal some weaknesses and drawbacks, but the fact remains that the large business unit through its performance of a multiplicity of functions, the wide geographical spread of its operations, and its taking of a long-range view, whether motivated by desire for profits, national interest, or other reasons, is normally better able to meet crises than the smaller business unit. Shutdowns are fewer and reserves are usually greater than in the cases of Professor Gras' petty and younger industrial capitalists. Therefore the large business unit may well be considered one of the stabilizing influences in American economic life. What are the implications of this fact? Should it be a partial answer at least to the contention of the Communists that theirs is the only system which has eliminated the business cycle?

Understanding the importance of the large corporation with reference to the business cycle is paralleled by the necessity of evaluating its contributions in wartime. It is hard to imagine that the United States could have achieved its gigantic production of goods and services during the late war without the existence and assistance of large business units. To be sure, the large corporations did not produce all the goods and services, but if the government had had to make contracts with every individual plant the problem would seem to have been insurmountable. The majority of the contracts in terms of dollars were made with the larger units, which took charge of sub-contracting, down to the small firms in the small towns over the entire countryside. Through these channels the arming of the opponents of Fascism was made possible. How many historians have mentioned that fact in evaluating the contribution of big business to American life?

Yesterday, the day before, and today the large business unit

is at the very front of the current American competition with national states trading as entities. The United States is committed to a policy of greater freedom of trade, yet producers in the United States face bargaining in a world in which some states act as units. If the business man in the United States is to compete successfully under these circumstances, the burden must be carried by the large corporations. A small business man just has no chance against a Russian, or a French, or a British trading monopoly.

Lest someone accuse me of deliberately ignoring the importance of studying the history of the large corporation to the firm itself, I hasten to make that point too. Inasmuch as large business units in the United States have seldom had a good press, partly because of their own acts of omission and commission, an accurate and objective analysis of their functions, operations, and place in society can hardly harm them in the public mind. Both executives and staffs may conceivably learn helpful things from a history of their firms. An exposition of mistakes as well as successes might well aid in making current decisions. Young aspirants for executive positions would be able to get important data quickly. Public relations men might possibly find themselves assisted in their work, in view of the fact that many recipients of their publications and releases too often turn to the wastebasket rather than read the same old type of propagandistic eulogism. Not that an objective history will relieve all the headaches of the public relations men. I fear that the public attributes the real or imagined misdemeanors of any one large business to all of them.

Thus far nothing has been said about writing the histories of industries, and something should be. Research in the histories of industries merits full consideration. In some instances such histories can probably be written satisfactorily without the previous publication of information about large corporations. In other cases the best results will be achieved by the writing of the history of at least key component large units first. Generalizations should then be relatively easy to make. The important consideration is that histories of small businesses, large business, and industries should proceed simultaneously. We want a balanced picture.

It is always important to ascertain the truth and to attain a balanced perspective. In the instance of the large business unit greater than normal significance is attached to a study of its

history. Big business has been criticized so much that historians, economists, politicians, and the general public vitally need to check their impressions and convictions against the best historical facts available. While checking our preconceptions about the large business unit we may be able to add some new parts to our mosaic of knowledge about it. Among ideas suggested for testing are the measure of control exercised by holding companies over their constituent corporations, the relative ethical standards of older and larger units, the implications of the relative stability of big business with reference to the business cycle and other economic phenomena, and the contributions of the large unit in wartime and in recent international relations. An objective study should be helpful to the corporation itself and to business in general. When the history of the large business unit is added to simultaneous studies of small units, medium-sized units, and whole industries, the total should amount to a more accurate and more comprehensive picture than we now possess. In view of the current attacks upon our capitalistic system in America, objective analyses of the type visualized are decidedly important in reaching decisions upon problems of the moment.

AVAILABILITY OF RECORDS FOR RESEARCH IN THE HISTORY OF LARGE BUSINESS CONCERNS

By Henrietta M. Larson

In discussing this topic I have chosen to consider only the *original* records of American business concerns. To be sure, there is a wealth of printed materials, primary and secondary, which are invaluable to research in the history of business, such materials as legal records, reports of government investigations, and trade publications; the indispensable research material for the study of business administration and operation, however, is the inside record of the individual company. It is, therefore, the availability of that record which I shall deal with here.

The business historian in his search for records is experiencing the difficulties which the pioneer has always faced, even the pioneer in the writing of history. Historians in fields other than business have in the past had to cope with similar conditions. There was a time when the government made its records as difficult of access as business records are today — indeed there are government records which still are not open to the research scholar. Looking at the records problem, then, from the long-time point of view, the business historian may be encouraged by the thought that business records can and will no doubt become more and more easily available as time passes.

In his search for records, the scholar usually looks first to public institutions. There is no guide to the business records available in manuscript collections in public libraries and other depositories throughout the United States. Such a guide is very much needed, and it is hoped that someone will make a country-wide survey of manuscript collections and prepare a list of records with short descriptions. Only a few libraries have published lists of their manuscript collections. The Baker Library of the Harvard Business School in the 1930's published such a list of its original business records, and several historical societies have similarly published lists of their manuscript collections. What is needed is a guide to business records in *all* collections which will indicate what records are available and, for each set of records, give some indication of the business concerned, the time covered, and the types of papers included.

While general and historical libraries and archives have ap-

parently not until recent years been interested in business records for their own sake, they have actually preserved a considerable volume of such records. Many were saved because of their age, others because they were papers of pioneers, and still others because they were the papers of business men who had had some *public* significance in other fields than business. The papers of petty capitalists of Colonial times and of new settlements of the nineteenth century are thus quite widely available — for example, the single records of the butcher and baker and candlestick maker — and of the ubiquitous general storekeeper. The records, especially the correspondence, of the foreign merchant of Colonial and early federal times — our first big business men — have been especially treasured, though in small numbers. Similarly the original business records of an occasional industrial capitalist, particularly of the first half of the nineteenth century, have been saved. With few exceptions, however, the general historical collections with which I am familiar contain very little in the way of original records of large business concerns of recent decades, the large industrial capitalist and notably the financial capitalist companies, the types of business which have stood at the very forefront of American business in our time.

It is clear, of course, that the general library or historical depository is not equipped to handle to any large extent the voluminous records of modern business. There is one such institution, however, which has experimented in a significant way with the handling of business records of large concerns. That is the Newberry Library, of Chicago, under the direction of Dr. Stanley Pargellis. Interested in business records as research materials on one of many aspects of the history of Chicago and its hinterland, the Newberry Library has followed a highly selective policy. It has in the field of large business acquired two significant collections of records, made up chiefly of executive correspondence, with some accounting and other records and concerned largely with the nineteenth century. These are records of two large railroad systems, the Illinois Central and the Burlington, including smaller companies which went into the making of the latter. A very useful guide to the Burlington records is being prepared with the object of being helpful to scholars with different interests. In other words, Dr. Pargellis plans a careful selection and an intensive use of a few large collections rather than extensive gathering of business records.

The Baker Library of the Harvard Graduate School of Business Administration pioneered in collecting records for use specifically for research in business and the history of business. With the coöperation of the Business Historical Society, Baker Library has brought together an extensive collection of original business records. Its collection contains a large volume of records of petty capitalists and some records of important mercantile capitalists—the great foreign merchants of late Colonial and early federal times.

The unique value of the manuscript collection of Baker Library lies, however, in its records of industrial capitalist concerns. Its first large collection of this nature was the original business records of the manufacturing establishments of Samuel Slater, the leader in the beginnings and early decades of American textile manufacture. The Library has also acquired large collections of papers of a number of other New England manufacturing concerns and of several banks. The range of its business records is not, however, limited to New England, though its policy has been not to compete in the collection of records with institutions in other regions. Illustrations of the breadth of the collection at Harvard are the papers of Nathan Trotter, a metal importer and wholesaler of Philadelphia of the first half of the nineteenth century, and the Medici and Barberini papers of medieval Italy.

This Harvard collection contains materials for many important studies of the development of large specialized business units. Up to the present Baker Library is, so far as I know, the only library that has *specialized* in collecting business records. It undoubtedly contains more original records of large firms than any other collection in the United States and, with few exceptions, its records are available for use by any qualified scholar.

It is important to note that the collections of business records in libraries and other public depositories appear to be generally deficient in some significant respects. They have little, if anything, to offer on what Professor Gras calls the financial industrial capitalist or the financial capitalist, nor have they much for recent decades. The large combinations and holding companies and also investment banking firms, which have occupied strategic positions in American business since the last quarter of the nineteenth century, are nowhere adequately represented.

It is clear that collecting, handling, and storing the voluminous records of large companies is so expensive that no depository can go very far in building up its collection. One institutional project now in the promotional stage may be more suc-

cessful than other institutions have been in providing materials for research in the history of the large business unit. That is the project proposed by the American Historical Association's Committee on the Preservation of Business Records. Still in the process of promotion, this project envisages a system of regional storage houses supported by business to serve as depositories of company records. Its main concern at present is with the preservation of records which are daily threatened with destruction, but it also looks toward making records available for scholars.

The point to note, however, is that a beginning has been made, and an important beginning, in providing through public institutions the original business records of large business units for the scholar choosing to do research in the history of such concerns. The experience of large business concerns from medieval times to about 1900 can thus be freely studied. On the whole, however, the records available in public depositories are limited in amount, in type of business represented, and in the fact that few come near to the present; they will probably continue to be thus limited in at least the near future.

Indeed, the scholar who desires to study the history of large American concerns since about 1890 — whether it be the large single unit or an aggregation of units represented by the holding company, whether it be industrial capitalistic or financial capitalistic, or whether it be in manufacturing, transportation, banking, public utilities, or any other kind of business — will have to depend largely on the records of existing companies. There is no way of doing research in the administration and operation of the large companies over the past fifty years without gaining access to the records of the companies themselves. It is clear, therefore, that for the study of the history of very large companies and for all business, on the whole, over the past fifty years the scholar will have to depend on the records in the archives of the companies.

The availability of records in business archives is, then, the most important consideration for those scholars who plan to do research in the history of recent large business concerns. There is no question that there is an untold wealth of records in company archives, but they are neither easily found nor freely used by the historian. The problems to be met in locating and obtaining permission to use company records are far different from those met in research in materials in the possession of public depositories.

To begin with, there is the problem of finding out where records for research in the history of living companies may be obtained. There is no easy way of doing this. The qualified research student or scholar who wishes to study the history of the large business unit may, however, obtain some advice as to what companies have saved considerable amounts of records. He can turn to those who have for some time been working in business history. He can also draw on the experience and findings of groups that have had a special interest in business records, such as the New York Committee on the Preservation of Business Records, the Lexington Group which has under the direction of Professor Overton made a survey of the availability of railroad records, the Business Historical Society, and the Business History Foundation.

The interest in research in business history which has in recent years developed among business executives gives promise of coöperation on the part of many business men with scholars who wish to do research in company records. Executives of transportation, manufacturing, and marketing companies and of commercial banks are especially friendly toward the business historian. Accounting and investment banking firms, with one or two exceptions, have on the contrary not admitted historical researchers to their papers. The reasons they have given are clear-cut — chiefly that those firms stand in a fiduciary relationship with their clients or customers and cannot, therefore, admit outsiders to their records. The business historian considers this a false reason; while he respects the trustee relationships of business, he holds that writing the history of a company of this type does not require that the affairs of clients and customers be disclosed.

There are two important preliminaries to working in company records. One is to gain permission to use the records. The other is to make an intensive survey of the company's records with the object of determining whether the necessary records actually are available. Let us first discuss the former, which virtually amounts to promoting business executives' interest in research in their company records and establishing their confidence in the scholar who proposes to work in their records. Those two preliminaries must to a large extent be developed side by side, but I shall deal with them in succession.

Gaining permission to use the records of a company poses special problems for the business historian. In approaching busi-

ness men who have not already shown an interest in business history and some understanding of the value of research in company records, the scholar must have the qualities of both the teacher and the salesman. He must convince the business executives in responsible charge of a company's records that enough benefit may be derived by their company and by business and society in general to warrant their taking the risks involved in admitting an outsider to their company's records. At the same time the scholar must also convince the executives — directly or through other scholars or persons in whose judgment those executives have confidence — that he can be trusted to use the records with intelligence and with an honest regard for the truth. Winning the business executives' confidence may take some time, even though they definitely want the history of their firm written. Before undertaking to write the history of the Standard Oil Company (N.J.), Professor Gras over a period of more than two years discussed the matter with many executives; during that time was built up a mutual understanding of the difficulties and of the possibilities of the undertaking and a mutual confidence without which it would not have been feasible to undertake so large a project.

The scholar must be patient in this preliminary stage. Business men are products of a system of education which has not recognized the social importance of business, and they have never been taught in the schools that the history of business has educational value. Moreover, they are heirs to the tradition that business is a private matter. Most significant is the fact that the executives are legally and morally responsible for the records of their company; they might find themselves in trouble if the scholar abused the privilege extended to him — cases are known where that has happened. Lastly, the business man knows that many historians and economists have a bias against large business, and he fears that not an objective but a slanted story might be written from the records.

Lest it appear that business is the only institution that is cautious about admitting outsiders to its records, let us remember the restrictions on the use of certain government records. Diplomatic records are most jealously guarded, but there are also restrictions on other research materials, not infrequently beyond what seems reasonable to the scholar.

I believe that Professor Gras and others who have had experience with business executives in this relation would agree

with me in saying that business men are almost surprisingly responsive to the scholar's interest in the history of business. Indeed, our observations lead us to believe that there are not enough qualified scholars available to take advantage of the opportunities for doing research in the records of large business units. It is exciting to think that before our very eyes the gulf between the scholar and the business man is narrowing and close cooperation between them is developing on a high professional level.

We can at the same time sympathize with the scholar's fear that business executives may attempt to control his work. That is no idle fear, but it is far from universally valid. The scholar must protect himself by having it clearly understood before he undertakes to work in a company's records that he is to have full freedom to read the records and full freedom to use what he finds, the only controls being the facts he discovers and his own capacities and conscience as a scholar. In my judgment the scholar is well advised who does not depend on a contractual agreement but more generally on mutual understanding and confidence.

When the scholar has succeeded in gaining permission to make a survey of the records of a company, then he may proceed with the second of the preliminaries mentioned above. It is obvious that without adequate records, research cannot be carried on, and the sad truth which one soon learns from experience is that not all companies have preserved enough of their original records to make it possible to go very far in doing research in their history. To be sure, all companies must save certain long-time corporate and accounting records and the law requires that certain short-time records also be preserved; the question is whether enough has been saved of policy records and operating records to give at least a fair picture of administration and operation.

There is no way of knowing for certain what a given company has saved without a careful survey of its archives—its offices, vaults, and other storage places. The records searcher soon learns that companies themselves know very little about what records have been preserved. In fact, it is quite likely that the less is known about their records, the more records may have been preserved. A survey of the records in a company's archives is, therefore, a necessary preliminary to any decision about undertaking research that contemplates the writing of the history of a company.

A records survey should cover *all* the major divisions of the company organization. There are in any company, generally speaking, three major divisions to be examined: the offices of the top executives; the corporate or staff departments, including the secretary's, treasurer's, comptroller's, and legal departments; and the operating departments or subsidiaries.

Where a company has subsidiaries or affiliates, as in the large holding company, the records situation in at least the important related companies should be explored as well as in the parent. The study of the records of some of the operating companies is essential for an understanding of the management of operations, and those records also throw light on policy. Then, too, where the correspondence in the parent company or central offices has been destroyed, the loss may be made up in part by correspondence saved by the operating subsidiaries or divisions.

Making a survey of a company's records is no small and simple job. In the preliminary investigation which Professor Gras and I made of the feasibility of writing the history of the Standard Oil Company (N.J.), an assistant and I spent over a year, with additional help part of the time surveying the records in the offices, vaults, and other records storage places of the parent company and its domestic affiliates. With most companies, of course, the task would be much simpler.

The making of such a survey of a company's records has both its light and its dark side. One may, for example, work in every kind of place from the finest of offices and vaults to dark and cold basements and abandoned mills or boilerhouses. One may run into custodians of records who have no sympathy with one's project or who even out of a proper sense of duty may forbid and for a time delay the search of the records in their care, or one may meet most helpful coöperation from everyone. The scholar is interested not merely in the records—he is interested also in getting acquainted with the company and thus acquiring some judgment as to the practicability of working effectively in the company's records.

It is important to inquire about another source of information, that is, the men who have had long experience in the company as executives at various levels or as workers. The memory of such men is an invaluable record. Memory is, to be sure, a tricky record—it may be undependable as to details, elusive and ragged at the edges—but there is no substitute for it. The richness of its yield is generally in direct proportion to the in-

interviewer's ability to ask pertinent questions and to stimulate the interviewed's memory and interest. Where successful, interviews yield factual data, which must of course be checked, generalizations and judgments that at best are invaluable and at worst suggestive, and emotional attitudes which are often revealing. Making a list of men who might be interviewed later concerning their experience and observations is, therefore, an important part of a records survey.

The records survey will determine whether enough and sufficiently balanced records are available to meet the needs of the proposed research. It will in addition help the scholar to determine whether it would be feasible to work within the company in question. If the decision is made that there are adequate records and that working freely in them is practicable, then the question of the availability of the records for research must be settled. The final decision rests with the executives. That decision, it is important to note, depends to some extent on how successful the scholar has been in developing the interest of the executives in his project and in establishing the executives' confidence in the scholar's ability and objectivity. In other words, the availability of the records depends in no small measure on the scholar himself.

Lest the impression be left with you that working in company archives is a matter of problems and difficulties, only, I shall close with a summary statement of the advantages thus gained. The public depository of business records performs an invaluable function in preserving and making available to scholars rich materials for research in the history of business, especially the records of petty, mercantile, and earlier industrial capitalists. Indeed, the business historian during his early training had best work in public collections, and other historians may find the public depository the only practical source of research materials. However, it cannot be emphasized too strongly that working in company archives offers advantages and opportunities which cannot be found elsewhere.

First of all, the most important repository, and for large business concerns of the past fifty years the only repository, for business records is the archives of business itself. Moreover, where company records have been saved to any considerable extent, they are usually more varied and more nearly complete than are company records in public collections. Most important, I believe, is the opportunity of learning from life which working within a

company affords. We historians have long relied only on the dead record — that record is and must remain the most important source of historical information. But, talking with men and women and observing them at work in a company, seeing the daily operations in process, and gaining some sense of the drives pressing on executives and workers — in other words, getting the “feel” of business — these provide a key to the realities of business which has great significance to the historian and to his work. There is the danger, of course, that the historian may identify himself with the company; his problem is to work within business without losing the perspective and the objectivity which are indispensable ingredients of scholarly work. The business historian who can carry on his research in the “market place” and still remain a scholar has an opportunity to do work that has unique value for business history and indeed for the social sciences in general.

PROBLEMS OF WRITING THE HISTORY OF LARGE BUSINESS UNITS WITH SPECIAL REFERENCE TO RAILROADS

By Richard C. Overton

PART A

GENERAL OBSERVATIONS ON WRITING THE HISTORY OF LARGE BUSINESS UNITS

The distinctive and by far the most difficult of all the "Problems in Writing the History of Large Business Units" centers around the word "large," because the mere size of the project complicates each step of the historian's program. Let me be specific.

1. The Selection of the Objective

Writing the history of anything involves at least four, and sometimes five, distinct processes. *First*: you must stake out a reasonably clear objective. Stated otherwise, and in terms more welcome to economists than historians, you must set up one or more working hypotheses. You must decide, for example, what area you think is significant for study, or what previous conclusion you are going to test. It is harder to do this in respect to a large business unit than a small one because a large unit is so complex that there is far more room for error in any preliminary hypothesis. You may have to shift your ground more often and hence consume more time in orienting yourself than in the case of a more simple, manageable project. In other words, it is particularly hard in dealing with large business units to know where to start your work or what working hypothesis to set up. For example, an economist writing on the Panic of 1873 discussed with me recently his difficulty in applying his theory to railways. He said that, according to his theory, there *should* have been a sudden drop in construction late in 1873. Actually the decline set in a year earlier, and he wanted a neat explanation for the United States in terms of the American and European sources of investment capital. There was, of course, no one cause for what actually happened; in the East ruinous rate wars were exhausting funds; in the South the postwar rebuilding had caught up with immediate demand; in the

West Granger legislation made managers cautious. Not one of these things, or even the existence of diverse causes, had occurred to this able and trained economist. He did not, in a nutshell, realize how many *different* things can affect a large complex unit. The only way to avoid this sort of confusion, at least in respect to railways, is to obtain the widest possible background before deciding on a specific project. That takes time and far more "indoctrination" than is necessary for approaching the history of a small or homogeneous unit.

2. The Verification of Pertinent Facts

As a *second* step in the historical process, you must establish your facts according to the strict tests of historical verification. This step is not more difficult qualitatively for a large than for a small unit, although there is obviously more of it to do even though you select only one segment of a large unit for study. If you consider for a moment that the Land Department records of the Burlington, relating exclusively to the single matter of land sales and for grants only one-third as large as the Union Pacific's or one-twelfth the size of the Northern Pacific's, weighed six tons and included — apart from all books of account — over 600,000 letters, you will see what I mean. But this is a quantitative, and not a qualitative, problem and can be solved by patience and a durable financial backlog.

3. Relating Facts to Each Other

Your *third* historical step is to establish the relationship of facts to each other so that trends and causal relationships will emerge. This is not merely a matter of connecting the points on a graph, because you must think in at least three dimensions: the backward-and-forward time relationship, the up-and-down organizational relationship, and the right-and-left comparative relationship. Let me be more concrete. A departmental head makes a business decision; here is a fact that you have verified and recognized as pertinent to your original hypothesis. Now, his decision must clearly be in large part based on past policy, and will affect future policy. Similarly, it will be influenced by and will affect his superiors and subordinates, and, finally, it will be conditioned by and affect a myriad of attendant circumstances such as what his competitors do, the weather, the money market, and — in short — the whole aspect of the contemporary and pertinent framework in which he acts.

It is precisely here that the historian of large business units faces his greatest problem. As any top-flight business man knows, *business does not operate in a vacuum*. You can illustrate this in a thousand ways. Topography, the personality traits of a government official, some pending election, tastes in clothing, moral viewpoints—all sorts of things affect a business decision, and are in turn affected by it, so that a whole series of chain reactions is set in motion. Even though a railroad, for example, finds it is losing money on a branch line, it will consider abandonment only after studying the possible effect on community relations, labor, competitive conditions, future plans, and so on. And even if all these factors can be reconciled, it will time its application in the light of such things as the announcement of its financial position, the political situation, and even the weather.

If there is any one proposition which more than any other justifies research and teaching in business history, it is precisely that business history establishes and illuminates the *relevance* of any given business decision to the surrounding framework of human thought and action. It is because we do not understand enough about how business got to be what it is that we do research; it is because we want future business men and any student of our society to know the reason and effect of business in action that we teach. Business, I repeat, does *not* operate in a vacuum. And consequently, business history cannot do so either. It is *imperative* that the business historian be both willing and able to seek out the factors which affect and are affected by a business decision whether they lie in the so-called fields of constitutional, diplomatic, social, or any other brand of history. And the business historian should without hesitation move into the realms of geography, anthropology, sociology, or anywhere else if necessary in order to find the origin of any *essential* factor. Please notice I say *essential*. I am not saying that a business historian must be an indiscriminate jack-of-all trades, or spread himself out too thin. But I think there is far less danger of his becoming too spread out than of his becoming what is so discouragingly familiar in the business world: a man who is only "good in his line." Rubrics are a blight for the business historian; overspecialization is just as fatal a disease for him as for the business man. A business historian should understand that his label indicates only his point of departure and his goal. If he is not willing to tramp anywhere in the whole field of human knowledge on his way to that goal, he is as surely doomed as, say, the Studebaker people would have

been if they had stuck to making carriages after the internal combustion engine had proved its worth. Studebaker was interested in vehicles to carry people, just as the business historian is interested in why business men make decisions and what results from those decisions. If the Studebaker people had confused the making of carriages with their real objective, they would be forgotten, or would have remained today as makers of what we should call antiques. Similarly the business historian who persists in emphasizing narrowly construed "business phenomena" takes the risk of being forgotten or regarded as an antiquarian and intellectual string-saver.

This, I realize, may seem like an unwarranted and perhaps unpleasant digression, but I do not believe that it is. For we are still talking about the third step of the historian: the step that involves *relating* facts to each other. In respect to *large* business units the possible and actual relationships are especially numerous, as illustrated by the abandonment situation I mentioned a moment ago. The historian's task thus grows in complexity by geometric progression in proportion to the size of the unit he is studying. Furthermore, these relationships are *quantitatively* more important than for a small unit. If the corner grocer, or even a million-dollar concern, cuts or raises wages 10 per cent, he dislocates a localized area of society. If Ford, or the New York Central, or Bell Telephone does the same thing, the entire nation immediately feels the effect. Thus, the historian of large business units is under a particularly heavy obligation to understand and clarify the implications of each basic act or decision. He cannot write full-bodied business history by sticking, let us say, to a mere study of corporate organization or finance, or to the ideas that business has about itself. Unless he relates each decision and action of the large business unit to its framework, he will fail in his central objective of explaining the why and wherefore, and hence the significance, of his subject. I have said the word "large" in itself states the most formidable problem facing the historians of large business units; that problem presents itself most acutely in this third step of establishing accurate relationships. To solve it the historian must, as in selecting his original hypothesis, have thorough training in the background of his subject, and a mind not harnessed by rubrics.

4. Assessing the Significance of Findings

The *fourth* step of the historian I have already intimated: the task of assessing the significance of trends and relationships once they are established. Here again, the essential prerequisite is

broad knowledge of the subject. A distinct trend toward replacing iron and wooden railway bridges with steel if noted in the 1890's would be significant for a variety of financial, operating, and technical reasons. If noted in the late 1870's, it would be revolutionary. To know why, you must know the background. Even then you can make a sound appraisal of significance only if that crucial third step of accurate relationship is faithfully performed.

5. Use of Utilitarian Findings

The *final* step, one not generally taken in the history field although common enough in the exact sciences, is the indication *when appropriate* of the utilitarian value of the completed research. Please notice the *when appropriate*. Obviously, the value of research in business history to those of us in the profession lies in discovering the fate of our original hypotheses; we are content to add something to our knowledge of business history. And, for many business men and students of business, too, that is enough. But if our research provides material that is practical and useful to business as a whole, to an industry, to a company, or even to a single business man, I think it is wholly appropriate to draw attention to that fact. Perhaps our findings can be used in briefing directors or a special committee, as an aid in refinancing, employee education, or even advertising. So long as we ourselves regard these incidental findings as by-products, as chips that have inevitably scattered about as we have chopped the tree down, why not point them out for whatever they may be worth to others? I am aware that many business historians have tender feelings on this point. They are fearful that if their findings are "used" by business, they themselves will appear to be "used" and hence compromise their professional status. This, I think, is an untenable and disappointing position. The position is untenable because, if you study the performance of business, the chances are overwhelming that you will find *something* of use to business. And the position is disappointing because those who take it obviously lack the faith and courage to believe that they and their colleagues are capable of setting down the truth as they find it regardless of what some special business interest would like them to say. After all, as custodians of the truth about business, I think we have a distinct moral obligation to let business in on our findings if we (or they) think they will help make business and business men more useful to mankind. I shall illustrate this point in terms of railways later in this paper.

PART B

SPECIFIC PROBLEMS RELATING TO RAILROADS

So far, I realize, I have been discussing the general problem of writing the history of large business units, and I have referred to railroads only as random illustrations. But I submit that there is some method in this madness. Professor Gras asked me to turn my attention specifically to the importance and complexity of research in railway history, and then to the availability of records, the value of oral evidence, and the question of what can be told. I do not think that these problems can possibly be clarified *except* in the light of the generalities we have been considering. Railway history in particular must be approached like business history in general; conversely, railway history illustrates concretely why some of the techniques of business history, as outlined, are necessary.

1. The Importance of Railway Research

The importance of any research in railway history depends, I think, on whether we prove or disprove some hypothesis whose verification or rejection will substantially contribute to our understanding of the place of railways in the whole fabric of our national development. If a given research project holds no promise of eventually establishing its relation to society at large, I think it should not be undertaken, for it will be nothing more than pure antiquarianism. Of course, you cannot always tell in advance how significant a project will be, and sometimes a definite finding of irrelevance may be of value to future workers in the field. But there is one invaluable guidepost to relevance, and that is at least a general understanding of the intrinsic *facts* and *relationships* inherent in the vast institution we call railroads. In other words, you have to know something about railroads to start with if you want to select an objective — or hypothesis — that will give promise of fruitful results.

At the risk of going over ground already familiar, let us refresh our minds as to just what a railroad is. Obviously the most important thing is the train; everything else on a railroad exists only as a direct or indirect adjunct to this central agency which enables a railway to fulfill its primary function as a transporter of goods and people. It is vital to understand this primacy of the train. But it should not and must not obscure countless other items important in themselves. Consider for a moment simply the physical

plant; aside from trains and the roadbed and the tracks on which they run, there are the vast shops, larger in the aggregate than all but the very greatest industrial plants. In them are metallurgists, chemists, painters, machinists, experts in thermodynamics, and so on. Add to those shops the tie plants, reclamation centers, water-treating installations, terminals, office buildings, hotels, dispensaries, laundries, and what not. These often are elaborate undertakings in themselves. They play essential rôles in the destiny of any railroad, and in turn contribute to and are affected by management's decisions. Their location, for example, vitally affects employment and taxation in countless towns and cities, their performance bears not only upon the railroads' operations and finances, but may contribute directly to new scientific discoveries and techniques. Intrinsically a railroad is indeed a complex bundle of industries.

Consider likewise the functions of a railroad. As simply a transportation agency, it is, of course, concerned with far more than "travel." The handling of freight, for example, accounts for about seven times the revenue received from passenger travel in a normal year. Mail, express, and baggage are likewise important items in their own right. And one distinctive thing about railroads is that they are the only agency which will carry anything that can be moved at any time. It is superfluous to remind this gathering that railways have been an essential prerequisite to the development of American industry, commerce, and agriculture; they opened the Great West, built cities, enabled us to fight our wars effectively, and have been one of the greatest forces towards nationalism in our history. All this they have done because they were transportation agencies, yet as such they were playing but one of their rôles. Consider, for a moment, some others.

As citizens, railways have always had to pay taxes and obey laws just like anyone else. Countless communities have long depended on railway taxes to maintain essential public services; such taxes have often been the most significant factor in local tax programs. Our tax collectors have learned much of their trade from their experience in taxing the railroads!

As citizens performing a public function, railways, particularly in the last sixty years, have had to obey an increasing and impressive body of local, State, and national laws. I think it is safe to say that our entire structure of administrative law has been modeled primarily on our experience in railway regulation. So

too have our laws concerning safety, workmen's compensation, retirement, and unemployment.

As the first and most lasting examples of "big business," railways have given rise to much of the legislation concerning trusts, consolidation, and so on. And, of course, for the student of corporate organization and managerial technique, railways offer rich raw material. The experiments and developments in functional and regional organization have set patterns now firmly established throughout business.

As objects of investment, railways for over a century have played a dominant rôle in financial circles. They evolved new types of securities. As late as 1906 nearly 85 per cent of the bonds and fully half of the stocks listed on the Big Board were rail securities; even today the 15 1/2 billion dollars of railway stocks and bonds (in contrast, incidentally, to a 27 billion dollar plant) cut a large figure in the financial community. Railways have evolved new types of securities and introduced new methods of financing, re-financing, reorganization, promotion, and other financial techniques.

As employers, railways often dominate local labor markets, and as of the moment have on their payrolls some 1,377,000 persons who receive an average of over \$3,000 apiece per year — over 4 1/2 billion dollars in the aggregate—for their services. Thus the status of the industry directly affects national labor conditions; indeed, railway labor history is a rich field in itself and one that business historians have virtually neglected, possibly because they persist in failing to see the relation between labor policy and the spot-lighted business decision.

As pioneers and community builders, railways literally created such cities as Dallas, Omaha, Council Bluffs, Indianapolis, Birmingham, and Atlanta, to mention but a few. They colonized the Great Plains, and introduced and encouraged new agricultural techniques. Today the agricultural and industrial development departments of the larger systems are among the most active in the organizations to which they belong. Yet some business historians seem determined to relegate these matters to the local or agricultural or social historian because they fail to realize that to do business at all a railroad must have a thriving territory, and that *anything* which develops that territory is grist for a decision by railway management.

This recital of the manifold functions of the railroad could be

continued and expanded indefinitely. I am attempting only a summary sampling here. But perhaps I have said enough to suggest answers to the first two questions put by Mr. Gras, namely, what is the importance of railway research and what are the complexities. Any institution that is as large and varied as the railways, that performs as many different functions, and does them on such a large scale, is both significant and complex. How important any specific piece of research may be will depend, of course, on its relationship to the basic and more or less permanent functions of the particular road or of the industry as a whole.

I hope that my sketchy account of the nature and functions of a railroad will serve another purpose, and that is to illustrate how *absolutely essential it is to track down pertinent relationships regardless of whether they appear to be squarely within the limits of "trains, tracks, and travel" or not.* The rainfall in Nebraska, the municipal tax policy in Georgia, the wording of a reciprocal trade agreement, the offhand answer of a trainmaster to an official representative of one of the labor unions, or the guest list at an important banquet may and often does determine a vital railway policy, and thus affect the entire course of events. Unless you are willing to wander far from the right-of-way when necessary, you cannot write railway history.

2. Availability of Records

Now let us turn to the second specific point on which Mr. Gras asked me to comment: the availability of records. To give a short answer, I would say that records are available for at least a summary history of practically every separate carrier. And so far as we can judge from an inventory of Class I roads and from existing bibliographies, there is enough primary and secondary material concerning representative large systems—such as the New York Central, Pennsylvania, Southern, Illinois Central, Burlington, Northern Pacific, Santa Fe, Southern Pacific, etc.—to contemplate complete treatment of those lines as well as a balanced survey of the industry.

Of primary importance, of course, are the company archives themselves. Fortunately, railroads are confirmed record-savers, and, besides, the Interstate Commerce Commission requires them to keep essential records for stated periods. Hence most of the written material is still in existence, and last year, in response to an inquiry sponsored by seven historical groups (including the American Historical Association), railroads operating over 85

per cent of the route mileage in this country and Canada indicated that they would be glad to accept applications by qualified historians for access to their archives. The Secretary for these groups, who happens to be your speaker, will be glad to put you in touch with the proper official of any of the responding roads; contact with non-responding lines can most certainly be arranged through Colonel Henry's office at the Association of American Railroads.

Limitations of time prevent my describing now the specific nature of these records; suffice it to say they include minutes, reports, letter books, books of account, statistics, and so on. Nor is this the appropriate time to indicate in what departmental or regional records you can find this or that type of information. These matters I discussed in detail in the March, 1942, number of *Minnesota History*, and if time permits later on, I shall be glad to answer particular inquiries in regard to them to the best of my ability.

But I should like to say three things about company archives. First, they are by no means all pro-company in viewpoint. Like any organization of humans, a railway embraces men of widely differing viewpoints. These varying opinions usually come into clear focus, and often a minority position will, over time, become that of the majority. The sharpest critics of any specific policy, I am convinced, are within the organization, for outside critics, despite a possibly broader outlook, are seldom in possession of all the pertinent facts. Hence the man who dismisses company archives as hopelessly one-sided simply does not know what he is talking about. Second, company archives offer overwhelming proof of the point I have tried to hammer home: that railways are vastly more than "trains, tracks, or travel" and that you cannot write railway history—or any other kind of business history for that matter—by merely limiting yourself to a function or event that happens to conform to some external concept of business. Company archives reveal hard thinking and positive action about every aspect of human life and endeavor for the very good reason that at times these superficially irrelevant matters directly affect or are affected by the railroad business. Lastly, I submit as a proposition which I am prepared to defend until Doomsday that no railway history worthy of the name can be written without going through the company records. I am aware that some of my esteemed colleagues hold an opposite view, and I am the first to admit that no railway history can or should be based on company archives alone. Nor am I naïve enough to believe that com-

pany records do not need to be tested for accuracy, bias, and so on. But I do say that without them, so-called railway history is merely an impression or a guess, not a diagnosis and analysis.

Source materials other than company archives include, of course, the vast stores of government documents on local, State, and national levels; letters and reminiscences of individuals; newspapers; and maps. Essential secondary works are the existing monographs and articles, local histories, and statistical analyses. In respect to articles I might say that quite aside from the learned journals, one should not overlook materials in such notable trade and popular publications as *Railway Age*, *Traffic World*, the brotherhood journals, *Trains*, and so on.

The whereabouts of these primary and secondary records — other than company archives — is perhaps familiar to you. Aside from such obvious spots as the Interstate Commerce Commission, the National Archives, the Library of Congress, the Public Archives at Ottawa, and the official State and provincial libraries, you might well start with the Library of the Bureau of Railway Economics in the Transportation Building at Washington. The New York Public, the Newberry and John Crerar libraries at Chicago, and the university libraries at Harvard, Yale, Pennsylvania, Princeton, Cornell, Michigan, Northwestern, Missouri, Minnesota, Nebraska, California, Stanford, Wisconsin, and many others will yield rich rewards. Local historical societies will add much more.

Incidentally, the Lexington Group has been working for three years on a Bibliography of Secondary Works in Railway History. This, as well as a shorter list now being prepared by the Association of American Railroads, should soon be generally available, and act somewhat as insurance against overlooking at least the standard secondary works.

3. The Value of Oral Evidence

Oral evidence may, of course, be added to what the written records reveal, but it is a frail reed indeed. Of course, thousands of men who have seen railway history in the making are still living, but my experience, for whatever it is worth, indicates that even top men with trained minds will sometimes confuse events, ascribe actions to the wrong people, and tend to oversimplify and overemphasize selected factors. At the other extreme, you have to wade through a morass of anecdotal, and often autobiographical, trivia. The problem, as in any type of research, is to apply the

most rigid tests of verification and objectivity. I am sure railroaders are as honest as any other people; but they are primarily men of action, extroverts who remember events far longer than ideas. And, relating this now to large business units, a railroad is so big and spread out that it is virtually impossible to *verify* oral evidence. But you can, and *must*, get something of the "feel" of railroading from listening to railroaders talk or, better yet, by working with them. And that "feel" is one intangible that railway history needs in order to ring true. Furthermore, oral evidence often gives you an invaluable lead to something substantial. But as a source of intrinsically accurate facts, I urge you to regard oral evidence with utmost caution.

4. What Can Be Told

I think the best way to answer the question of what can be told is to put yourself in the business man's shoes, then revert to your rôle of historian and try to reconcile as much as you can of whatever difference of viewpoint you perceive. My own experience is that railway corporations will place no restrictions on a project (1) if it is a sincere attempt to tell the whole story with no other objective than to get at the truth and assess its significance, (2) if the man doing the work is qualified, and (3) if the findings are not liable to misuse to the extent of constituting a clear and present danger to the living corporation. The last point is clearly the toughest; sometimes a corporation will want to decide that for itself, and may put a date limit on material, or ask that the manuscript be confidential. If a company insists on altering a manuscript as to facts presented, a clarifying footnote may still make honest publication possible. If the company insists, however, on deletions, a change of emphasis, or modification of conclusions, I see no other course than to drop the project. *But most, if not all, of these contingencies can be foreseen and most of them can be worked out in advance, thereby saving later misunderstandings.* This brings us back to the matter discussed in general above, namely, what to do about findings of utilitarian value.

Naturally, the *reasons* for writing railway history differ; broadly speaking, a company wants it done because of the belief that it will improve public understanding of the road's motives and problems. The historian, on the other hand, is concerned with enlarging the area of understanding regardless of its effect on opinion. But there is no reason why these different motives can-

not lead to concerted action toward a common goal. It is largely up to the historian to "sell" the significance of his job to the business men with whom he must deal. He must, in other words, prove that what is good for the historian is likewise good for the railroad, and that this can be so despite a disparity of motives. I am pleased to say that more and more railroads are coming to realize the importance of setting their own histories out in the open, for they are beginning to see that unless the record and significance of past performance, good and bad, is fully and fearlessly stated, there is no chance of the public's understanding the current situation. Furthermore, my experience is that once a company understands that basic point, it is just as unwilling to permit an incomplete or inaccurate piece of history to be published as an historian is to put his name on it. As one president told me bluntly, "If we can't tell the whole story straight, let's not do it at all." As these twin viewpoints — the urge to have history written and to tell the full story — become generally accepted, as I believe they will *provided that historians live up to their standards*, the problem of what can be told will solve itself.

CONCLUSION

To put it mildly, there are many problems involved in writing the history of large business units. Some of the problems are inherent in all history; I wish there were more time, for example, to discuss the philosophy and methodology of history, for they are indeed pertinent. Some problems relate to the field of business history; one of those is clearly the fact that we disagree among ourselves as to what business history is and should be. And finally, some problems are peculiar to the railway industry, such as the geographical extent of the roads, their special position as a regulated industry, the overwhelming bulk and diversity of their written records, and so on. All these matters and many more, which I have either omitted or merely mentioned in passing, bear on the specific questions Mr. Gras asked me to answer.

But, rightly or wrongly, I have regarded these problems as less pressing than the few I have attempted to stress, namely, (1) the problem of adequately relating facts and trends so that they become truly significant, (2) the problem of recognizing the immense complexity of the institution we call railroads, (3) the problem of recognizing the relative value of company archives, and (4) the problem of working with the industry both in determining what can be told and how findings may be used. These problems need

hard thinking on the part of all of us. And if my rather peremptory conclusions start a lively argument, as I hope they will, I shall be thoroughly repaid for my humble effort.

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